



countycare

CountyCare Overview & Infrastructure Transition

Prepared for: CCHHS Board of Directors, 3/28/2014

Steven Glass, Executive Director of Managed Care
312.864.1147 | sglass@cookcountyhhs.org

Today



- CountyCare
- Financial Impact @ CCHHS
- Infrastructure & Benefits Management
- Contract Expense Overview
- Summary

CountyCare

CountyCare Scope



- Key part of CCHHS' "4Ps"
 1. Provider
 2. Plan
 3. Payer
 4. Population Management
- Health insurance for approved members
- Access to Medicaid-approved benefits through geographically accessible network

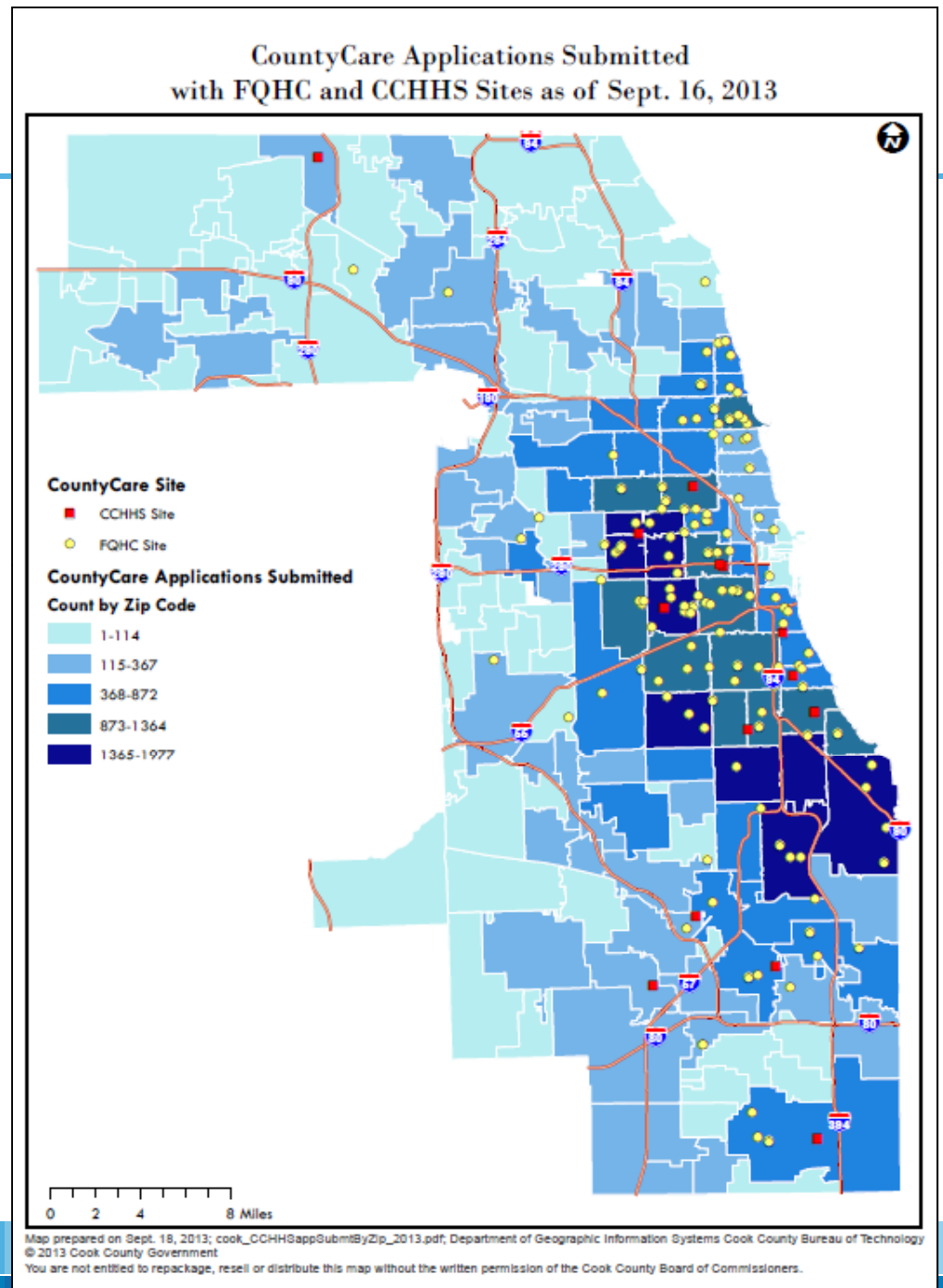
CountyCare Scope



- Vision: One Plan, Multiple Products allowing members to stay with provider and plan
 - Medicaid: Affordable Care Act (ACA) Adults, Family Health Plans, Seniors & Persons with Disabilities (SPDs)
 - Private: Marketplace, Individuals, Small Businesses
- No jobs lost or supplanted within CCHHS when CountyCare was implemented
- CountyCare *requires* partnering with non-CCHHS providers to meet members needs across a broad geography

CountyCare

- CMS 1115 Waiver Given to IL Medicaid
 - Early access to Medicaid health insurance for ACA-eligible persons
 - Letter dated 10/26/2012; Operational 2/1/2013; Two extensions until 6/30/2014
- Safety-net Primary Care Provider Network
 - CCHHS & Federally Qualified Health Centers (FQHCs) primary care network (138 sites)
 - 38 Hospitals; 6 Academic Medical Centers
 - Dozens of Ancillary providers



- **Applications** (data as of 3/25/2014)
 - 147,349 applications initiated
 - 118,851 applications submitted
 - 87,325 applications approved
- **Payment Processing**
(data as of 2/28/2014; excludes pharmacy and behavioral health)
 - 567,784 claims processed
 - 266,543 (47%) from CCHHS
 - \$43,935,711 actual payments made to non-CCHHS providers on claims for members to date

Next Phase of CountyCare



- In order for CountyCare to continue, we must establish ourselves as a County Managed Care Community Network (MCCN)
 - Under contract to State of Illinois, Department of Healthcare and Family Services (HFS)
 - Definitively establishes one of the “Ps” = Plan
 - More requirements than Waiver
 - Requires more infrastructure than Waiver

Phases of CountyCare

1115 Waiver Demonstration Project

- Until 6/30/2014
- IL Medicaid Program operated by CCHHS
- Governed by CMS Waiver granted to State of Illinois

Medicaid MCCN Plan

- Beginning 7/1/2014
- IL Medicaid Health Plan operated by CCHHS
- Governed by MCCN Contract with State of Illinois
- ACA Adults & Other Medicaid Populations

"Mature" Managed Care Health Plan

- 2015 and beyond
- Multiple products in Medicaid
- ACA Health Insurance Exchange, and/or other Commercial Products
- Health Insurance Exchange consistent with continuum of coverage

CountyCare Financial Impact @ CCHHS

PMPM Risk Scenarios

CCHHS assumes full-risk for payment of managed care services provided to CountyCare members.

**If aggregate PMPM spending
> \$632.48**

- Amount allocated to previously unfunded CCHHS-provider services is not maximized.

**If aggregate PMPM spending
< \$632.48**

- Amount allocated to previously unfunded CCHHS-provider services is maximized.

In either case, CCHHS is now receiving compensation for care provided to CountyCare members who we previously treated without reimbursement.

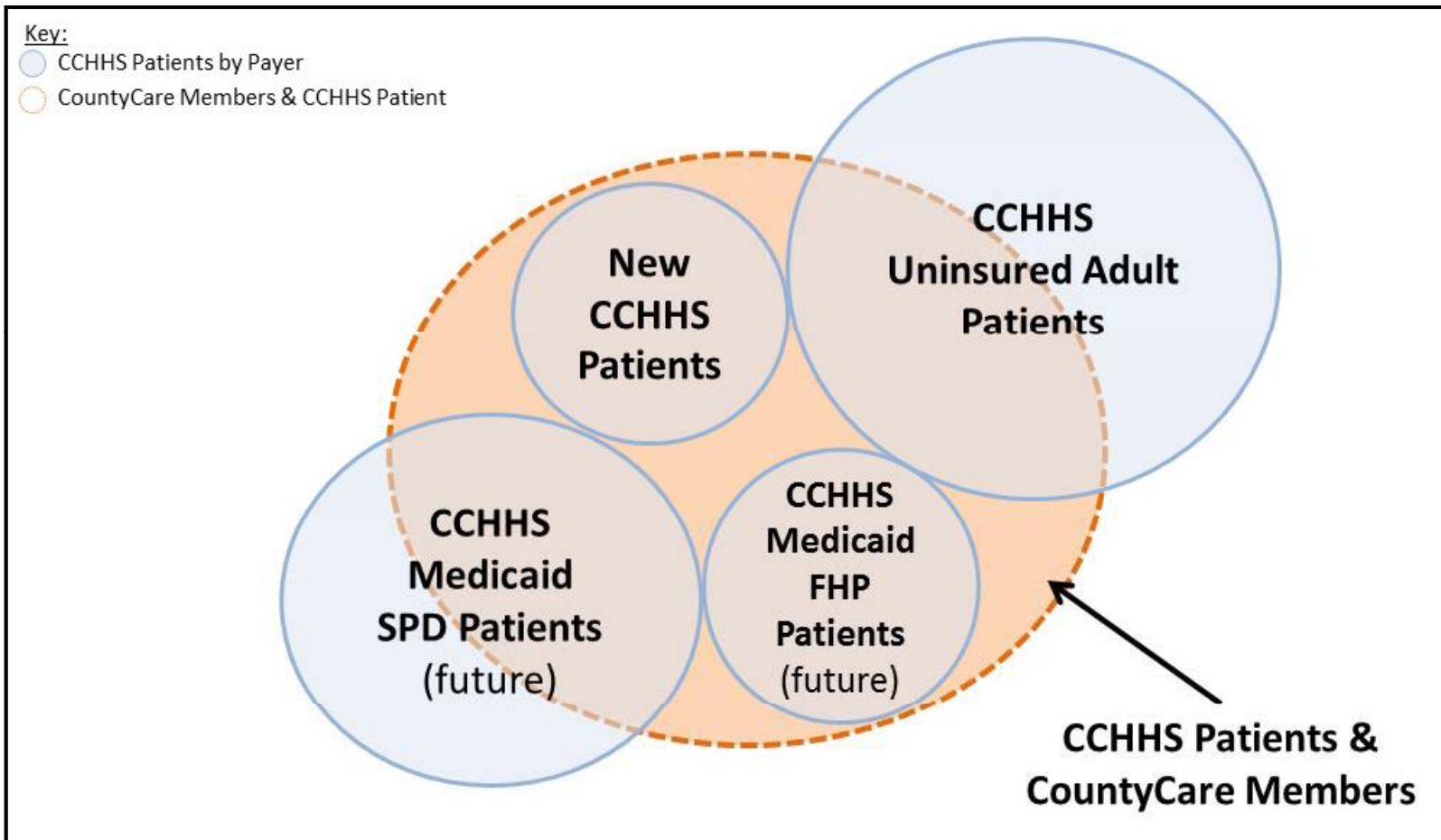
Consistent with our mission, we are also expanding access to care through our network partners significantly beyond that which CCHHS could have provided alone.

Determining Financial Risk

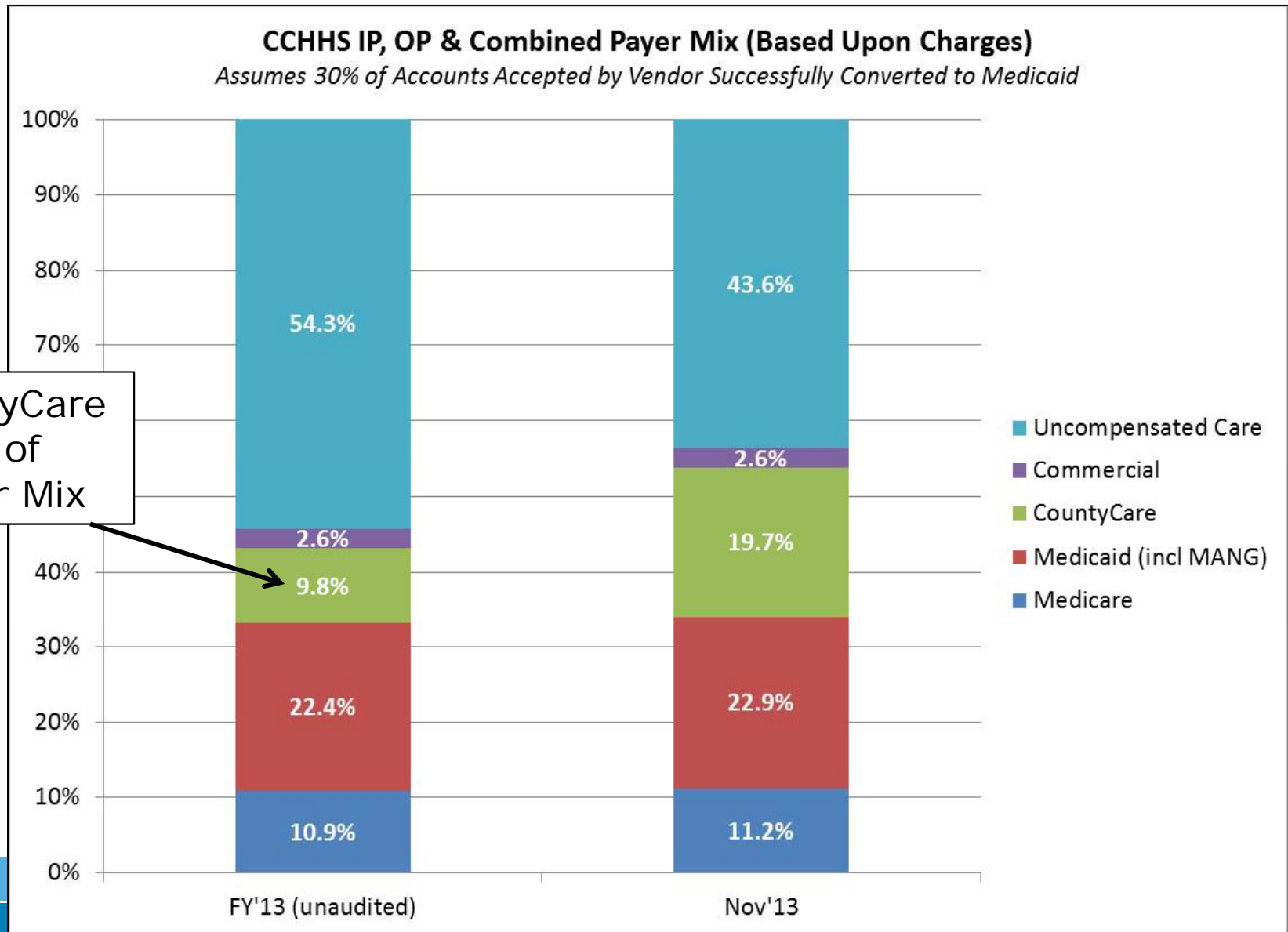


- “Trifecta” of reasons why Incurred But Not Recorded (IBNR) difficult to calculate:
 - 1) Delays in getting applications processed (members not yet known)
 - 2) Rapid month-to-month growth in membership (unstable utilization; 5,000 added in March alone)
 - 3) 12 Months to file claim for payment
- Aggressively working to develop IBNR

CountyCare Members @ CCHHS







CountyCare Payer Mix Impact



CountyCare Infrastructure & Benefits Management



Current State

for dates of services prior to 6/1/2014

	Vendor	Function(s)
TPA		<ul style="list-style-type: none"> • Clinical Care Coordination, Utilization & Disease Management • Claims Processing & Payment • Member & Provider Services • Call Center & Outreach
Behavioral Health Network		<ul style="list-style-type: none"> • At-Risk Behavioral Health & Substance Abuse Benefits Management
PBM		<ul style="list-style-type: none"> • Pharmacy Benefits Management, Including Claims Processing & Payment
Connectivity & Analytics		<ul style="list-style-type: none"> • Real-time ED and Inpatient Discharge Notification • Health Plan Analytics

Proposed State

for dates of services beginning 6/1/2014

	Vendor	Function(s)
TPA		<ul style="list-style-type: none"> Clinical Care Coordination, Utilization & Disease Management Claims Processing & Payment Member & Provider Services
Behavioral Health Network		<ul style="list-style-type: none"> At-Risk Behavioral Health & Substance Abuse Treatment Services
PBM		<ul style="list-style-type: none"> Pharmacy Benefits Management, Including Claims Processing & Payment
Optometry		<ul style="list-style-type: none"> Optometry is a new Medicaid benefit as of 1/1/2014. At-risk services/network provided by TPA.
Connectivity & Analytics		<ul style="list-style-type: none"> Real-time ED and Inpatient Discharge Notification Health Plan Analytics
Care Coordination	Anticipated MHN ACO	<ul style="list-style-type: none"> LOI Framework for future contract Builds upon MHN partnership to integrate care coordination in provider practices.

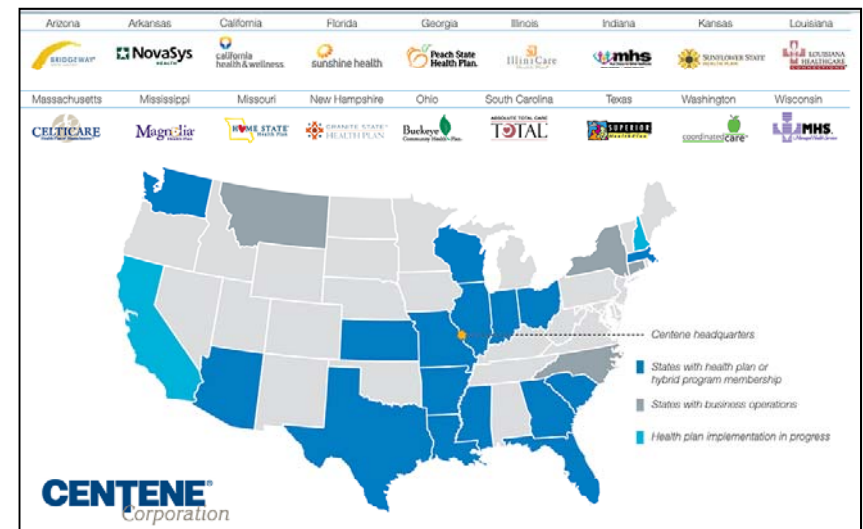
“MHN ACO” Letter Of Intent



- Provided for informational purposes only.
- CCHHS and MHN have established a Letter of Intent (LOI) establishing the principles and framework for a future contract.
- Principles establish structural relationship between organizations and defines initial financial terms.
- MHN providers have until 5/15/2014 to form new entity.

IlliniCare Health Plan

- Wholly owned subsidiary of Centene Corporation (Fortune 300 company)
 - 2.4 million lives covered nationally
 - Exclusively government-sponsored plans
- Vertically integrated service delivery and information management
 - Capacity to leverage additional networks should benefits expand.



IlliniCare Contract Overview



- Obligates IlliniCare to satisfy the requirements of the proposed County MCCN.
- Provides managed care expertise and services as well as business support for the operations of CountyCare.
- Provides pharmacy, behavioral health and optometry benefits management services (through subcontracts).

Other Key Contract Terms



- MBE WBE Compliance (responsive)
- 3-day Termination for Convenience
- Pass Site Readiness Review
- 2% performance withhold
- Flexibly to accommodate adding Medicaid FHP and SPD populations

Contract Management Approach



- Report Key Performance Indicators (KPIs) as appropriate to the CCHHS Board, and Finance, Quality and Patient Safety, and Audit Committees
- Joint working committees with CCHHS oversight
- Monitor & manage implementation plan targets
- Review monthly claims histories
- Review monthly utilization reports in all categories
- Conduct weekly operations meetings

IlliniCare Contract Expense Overview

Expenses by Category

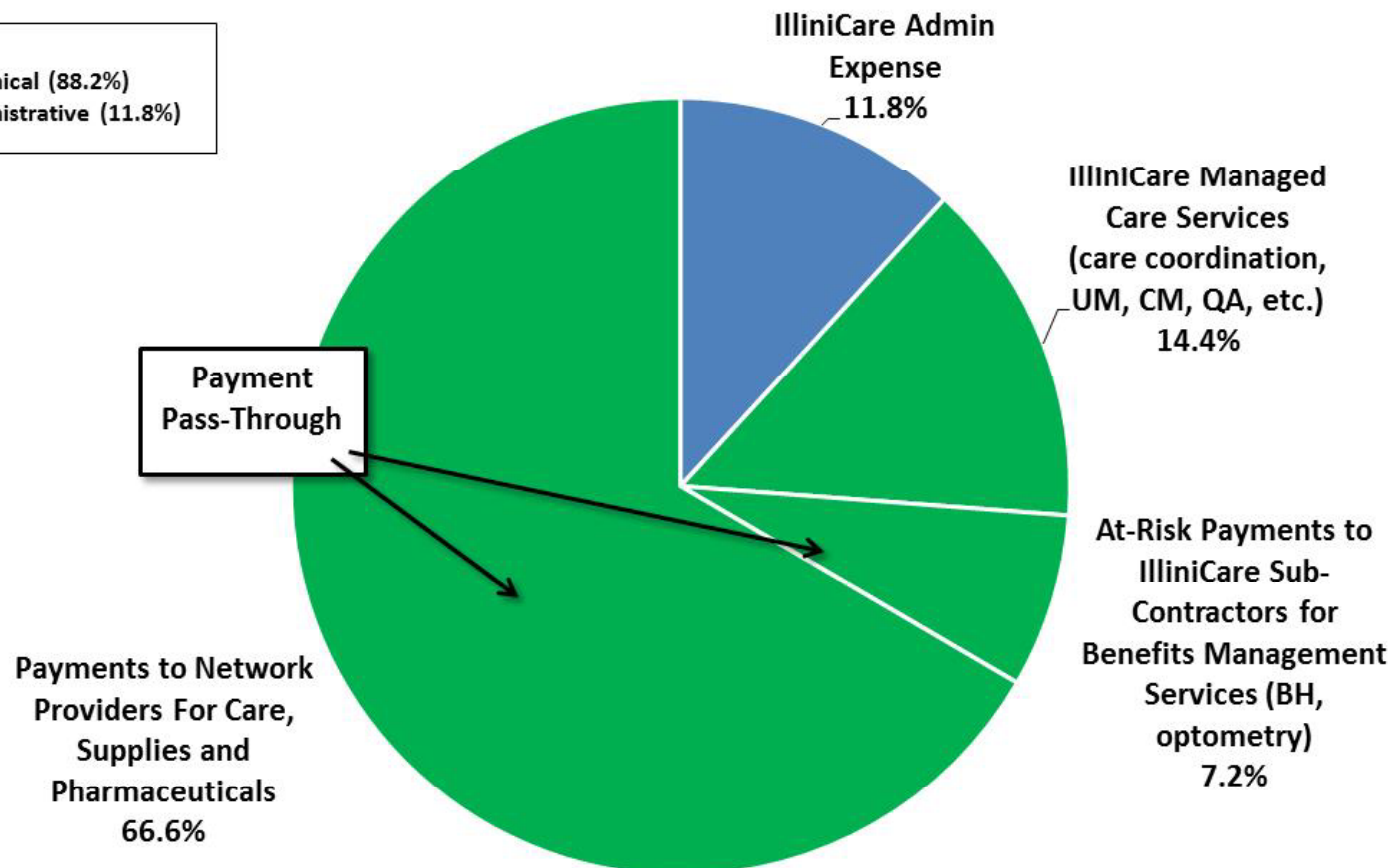
All costs assume 115,000 member lives

88.2% Clinical 11.8% Administrative

KEY:

Green = Clinical (88.2%)

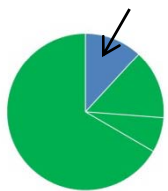
Blue = Administrative (11.8%)



Admin & Managed Care Services

Administrative Services

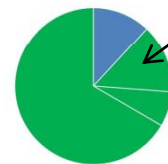
- Claims adjudication
- Processing and payment
- Financial reporting & support
- Provider and member services
- Provider and member hotline
- <http://www.countycare.com> web site hosting and maintenance as required by MCCN.



*These and similar administrative services total **11.8%** of the total not-to-exceed contract amount.*

Managed Care Services

- Care coordination and case management
- Nurse hotline
- Quality assurance
- Utilization management



*These and similar managed care functions total **14.4%** of the total not-to-exceed contract amount.*

Benefits Management Services

At-Risk Behavioral Health Benefits Management (Cenpatico)

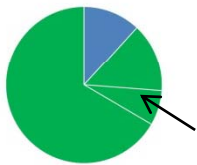
- Contracted network of behavioral health providers to whom CountyCare members can be referred for treatment.
- These costs represent **5.8%** of the total not-to-exceed amount.

At-Risk Optical Benefits Management (OptiCare)

- Optometry added as new Illinois Medicaid 1/1/2014
- Contracted network of optical providers to whom CountyCare members can be referred for treatment.
- These costs represent **1.4%** of the total not-to-exceed amount.

Pharmacy Benefits Management (US Scripts)

- Contracted network of pharmacies, including CCHHS pharmacies
- 1.4% of the total not-to-exceed contract amount will be paid as pharmacy administrative fees and included in 11.2% Admin Total.
- Cost of pharmaceuticals are included in 66.6% of network provider costs.

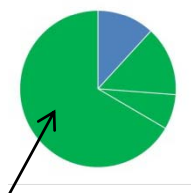


*Combined, these at-risk services total **7.2%** of the total not-to-exceed contract amount.*

Care, Supplies & Pharmaceuticals



- Claims Adjudication & Payments of all claims for care provided to members
- Pass-through payments to providers for approved care, supplies and pharmaceuticals provided to CountyCare members
- Providers have 12 months to file claims.
- No cash exchanged between IlliniCare and CCHHS for services provided by CCHHS.



*This function alone totals **66.6%**
(51.2% clinical services + 15.4%
pharmaceuticals) of the not-to-exceed
contract amount.*

Key Pricing Factors

- Pricing comparable to existing vendors, CCHHS budget and HFS expectations.
- IlliniCare & subcontractor payments are both fixed (per category) and variable (based on membership)
- Pass-through payments to providers of care are 100% variable based on member utilization (66.6% of total contract cost)
- No guarantee of cost except for at-risk subcontracts

Summary

Summary

- CountyCare (“Plan”) is a key component of “4Ps” vision
- CountyCare is transition from a demonstration project to Medicaid managed care health plan 7/1/2014
 - More requirements = Need for more infrastructure
- PMPM risk limited to extent external payments exceed premium

Summary

- CCHHS and MHN ACO Letter of Intent provides framework for future partnership
- Current vendor requests for extensions and increases needed for continuity of services through transition
- Seeking authority to negotiate & execute contract with IlliniCare
 - 88.2% clinical/11.8% administrative
 - 66.6% is pass-through for care, supplies and pharmaceuticals